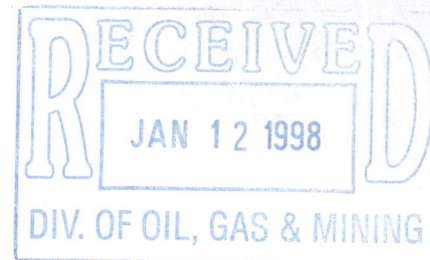


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 11/1/97 To (mo./yr.) 12/31/97
2. DOGM File Number (Mine No): M10491031
3. Mine Name: Lehi Project
4. Mineral(s) Mined (or permitted to mine): Rip Rap, Bank Run
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected): Also see ATTACHED legal Description
____ 1/4, ____ 1/4, ____ 1/4, Section 16, Township 5, Range 1
____ 1/4, ____ 1/4, ____ 1/4, Section _____, Township _____, Range _____
____ 1/4, ____ 1/4, ____ 1/4, Section _____, Township _____, Range _____
7. Name of Operator or Company: Valley Asphalt Inc.
8. Permanent Street Address: 7434 Del Monte Rd.
City, State, Zip: Spanish Fork, UT 84660
Phone: (801) 798-7979
9. Company Representative (or designated operator):
Name: Brent Samsion, Donald Morris
Title: President, Controller
Business Address: PO Box 220
City, State, Zip: Spanish Fork, UT 84660
Phone: (801) 798-7979
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? 1047.65 tons
3. If inactive, what year was the mine last active? _____

3. How much **additional acreage** was disturbed during the past year? 5 acres
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.
Drilled and shot 140,000 yds
cleared Area For conifer and stockpile
5. How much acreage was **reclaimed** during the past year? 0
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
Top Soil was removed and stockpiled on 5 acres.
7. What is the **total disturbed acreage** at years end? 5 acres
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Additional 60,000 yds will be Blasted (Spring 98)
winter of 1998 250-300,000 yds will be Blasted
For 1999.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Donald Morris

Title of Operator:

Controller

Signature of Operator:

[Signature]

Date:

1-10-98

LEHI ROCK QUARRY - UTAH COUNTY, UTAH
LEASE DESCRIPTION
(See Exhibit B)

That portion of Section 16, Township 5 South, Range 1 West of the Salt Lake Base Meridian in the County of Utah, State of Utah, being in Northwest quarter of said Section, and being more particularly described as follows:

Commencing at the center of said section with State Coordinates X=1,873,604.8006' Y=747,224.4221';
Thence West approximately 595 feet along the South line of the Northwest quarter of said Section to a point;
Thence North approximately 195 feet parallel to the East line of the Northwest quarter of said Section to the
POINT OF BEGINNING;
Thence North 88 Degrees 54 Minutes 40 Seconds West 40.87 feet to a point;
Thence North 88 Degrees 29 Minutes 03 Seconds West 38.05 feet to a point;
Thence North 88 Degrees 36 Minutes 58 Seconds West 299.56 feet to a point;
Thence North 00 Degrees 38 Minutes 01 Seconds East 145.49 feet to a point;
Thence North 18 Degrees 51 Minutes 29 Seconds West 361.61 feet to a point;
Thence North 20 Degrees 40 Minutes 41 Seconds West 209.00 feet to a point;
Thence North 69 Degrees 45 Minutes 05 Seconds East 180.44 feet to a point;
Thence South 22 Degrees 48 Minutes 11 Seconds East 382.31 feet to a point;
Thence South 74 Degrees 13 Minutes 34 Seconds East 69.92 feet to a point;
Thence South 42 Degrees 20 Minutes 08 Seconds East 124.90 feet to a point;
Thence South 22 Degrees 05 Minutes 51 Seconds East 272.71 feet to a point;
Thence South 05 Degrees 59 Minutes 49 Seconds West 38.44 feet to the **POINT OF BEGINNING,**
containing 5.0 acres more or less

INGRESS/EGRESS EASEMENT

A 40-foot wide easement in the Southeast quarter of the Northwest quarter of Section 16, Township 5 South, Range 1 West of the Salt Lake Base Meridian in the County of Utah, State of Utah to provide ingress and egress between above described real property and Utah State Highway 75; the centerline of the 40-foot-wide easement being more particularly described as follows:

BEGINNING at a point on the centerline of State Highway 75, said point being approximately 196 feet Northwest of the center of said Section;
Thence North 12 Degrees 03 Minutes 03 Seconds West 30.32 feet to the beginning of a curve concave to the West, having a radius of 50 feet;
Thence northerly 56.69 feet along said curve through a central angle of 64 Degrees 57 Minutes 41 Seconds to a tangent line of said curve;
Thence North 77 Degrees 00 Minutes 44 Seconds West 263.81 feet to the beginning of a curve concave to the East having a radius of 100 feet;
Thence northerly 32.11 feet along said curve through a central angle of 18 Degrees 23 Minutes 50 Seconds to a tangent line of said curve;
Thence North 58 Degrees 36 Minutes 54 Seconds West 48.54 feet to the beginning of a curve concave to the East having a radius of 100 feet;
Thence northerly 86.46 feet along said curve through a central angle of 49 Degrees 32 Minutes 24 Seconds to a point in the South line of the above described property, said point being North 88 Degrees 54 Minutes 40 Seconds West 20.34 feet from the Southeast corner of the above described property.